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Understanding Partition
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**>>>>** 

Renée Marie Smith Esq. FALL 2024

# Lawyer's Letter



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# Safeguarding Property Rights in Real Estate Disputes

n the realm of real estate law, few issues are as complex and emotionally charged as Partition Actions. Whether you're a co-owner of residential, commercial, or inherited property, disputes can arise over the best course of action regarding the management, use, or sale of the asset. This is where Partition Actions come into play—a legal remedy that enables co-owners to resolve conflicts when amicable agreements cannot be reached.

Partition law provides a pathway for co-owners to either physically divide the property (Partition in Kind) or force the sale of the property (Partition by Sale), ensuring that each party receives their fair share of the asset or its proceeds. This legal process is essential for those who wish to protect their interests while navigating often complicated and contentious disputes.

As a <u>leading real estate lawyer</u> with extensive expertise in both litigation and negotiation, I have seen firsthand how critical it is for property owners to understand the intricacies of Partition Law. Whether you're facing challenges from family members, business partners, or investment groups, taking the right legal steps can safeguard your financial future and protect your property rights.

This guide provides an in-depth look at the Partition Action process, breaking down its legal framework, the steps involved in litigation, and the strategic considerations every property owner should be aware of before entering into such disputes. Armed with this knowledge, you can confidently navigate the legal landscape, ensuring that your interests are well-represented and protected in any Partition Action.

Renée Marie Smith



# Partition Actions

Understanding Partition Actions in Florida: Resolving Property Co-Ownership Disputes

A Comprehensive Guide to Resolving Co-Ownership Disputes Through Partition Actions in Florida

n Florida, real estate is often co-owned by multiple individuals, whether it be through inheritance, business ventures, or joint property purchases. While co-ownership can be advantageous, it can also lead to disagreements about the use, management, or sale of the property. When these disputes escalate and co-owners cannot agree on how to move forward, a legal remedy known as a Partition Action becomes necessary.

# What is a Partition Action?

A Partition Action is a legal process that allows co-owners of real

estate to dissolve their shared ownership when they cannot agree on how to handle the property. Under Florida law, any co-owner, regardless of the size of their ownership stake, has the right to file for a Partition Action. This action is essentially a request to the court to intervene and determine how the property should be divided or sold, ensuring that each party receives their equitable share.

# Types of Partition in Florida

There are two primary types of Partition that can result from such legal actions:

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# SEEK LEGAL REPRESENTATION IN A PARTITION ACTION Experienced real estate lawyer by your side is critical to navigating the complexities of a Partition Action

# Partition in Kind & Partition

by Sale

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# PARTITION IN KIND

This type of Partition involves physically dividing the property among the co-owners. For example, if two individuals own a large parcel of land, the court may divide it into separate portions, allowing each owner to take full control of their respective piece. This option is most feasible for large properties, particularly land or agricultural estates. However, for most residential or commercial properties, physical division may not be practical.

# **PARTITION BY SALE**

If a physical division is not possible or would result in a significant loss of value, the court will order the property to be sold, and the proceeds from the sale are then distributed among the co-owners according to their ownership interests. This is the more common outcome, especially for single-family homes, condos, or commercial properties.

### The Partition Process

The process of filing and litigating a Partition Action in Florida involves several steps:

# Filing the Complaint

A co-owner must file a complaint in the circuit court of the county where the property is located, naming all co-owners as defendants. The complaint must outline the ownership structure and the need for a partition.

### **Determining Ownership**

One of the court's first tasks is to establish the legal ownership interests of all parties involved. This includes confirming whether any of the co-owners have claims,

# Skilled Attorney

Whether you're facing challenges from family members, business partners, or investment groups, taking the right legal steps can safeguard your financial future and protect your property rights.





such as mortgage obligations or liens, that need to be settled before the property can be divided or sold.

# **Partition Decision**

Once the court establishes ownership, it will determine whether the property can be divided (Partition in Kind) or if it must be sold (Partition by Sale). The court will consider factors such as the property's size, value, and practicality when making this decision.

# Sale and Distribution

If the court orders a sale, the property is typically sold at auction, though co-owners can agree to sell the property privately. After the sale, the proceeds are distributed to the co-owners in accordance with their ownership stakes, minus any outstanding debts, legal fees, or other obligations tied to the property.

Why Seek Legal Representation in a Partition



### Action?

Partition Actions can be complex, especially when disagreements are deeply rooted or when substantial assets are at stake. While the process may appear straightforward, several nuances can affect the outcome, including property appraisals, existing liens, and the timing of the sale. Without proper legal guidance, a co-owner may not receive the full value of their share or might be subject to unexpected legal

Having an experienced real estate lawyer by your side is critical to navigating the complexities of a Partition Action. A skilled attorney can help negotiate a settlement before a lawsuit is filed, represent your interests in court, and ensure that you receive your fair share of the property or its sale proceeds.

# **Getting the** best help

Having an experienced real estate lawyer by your side is critical to navigating the complexities of a Partition Action.

### Conclusion

Partition Actions in Florida provide an essential mechanism for resolving co-ownership disputes in real estate. Whether you are a co-owner looking to dissolve a business partnership, a family member seeking to divide an inherited property, or an investor facing a disagreement over a shared asset, understanding the Partition process is key to protecting your rights. With proper legal representation, you can ensure that your interests are upheld and that you receive a just outcome from the Partition Action.

If you are facing a co-ownership dispute and believe a Partition Action may be necessary, consult with an experienced real estate attorney to explore your legal options.



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# Litigation Partition Actions:

A Step-by-Step Guide

Partition Action litigation is often the last resort for co-owners of real estate who cannot come to a mutual agreement on how to manage or divide a property. While Florida law provides a clear framework for resolving these disputes, navigating the litigation process can be complex and time-consuming. For those facing this legal remedy, understanding the key steps involved can make the process more manageable and ensure your rights and interests are fully protected.

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### **TRIAL**

If mediation fails or the parties cannot come to an agreement, the case moves to trial

# Litigation Process Guide

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# STEP 1:

# FILING THE COMPLAINT

The first step in a Partition Action is filing a formal complaint with the circuit court in the county where the property is located. The complaint must include a detailed description of the property, the ownership interests of all parties involved, and a request for the court to partition the property. It's crucial that all co-owners are named in the complaint as defendants, as the court must have jurisdiction over all parties to proceed with the case.

This step also requires paying filing fees and serving the complaint to the other co-owners, formally notifying them of the pending litigation.

# STEP 2:

# **RESPONSE FROM DEFENDANTS**

Once the complaint is filed and served, the other co-owners (the defendants) must file a response within a specified time frame, usually 20 days. The response may either agree with the request for partition or challenge the claim. In many cases, disputes arise regarding the extent of each party's ownership interest, the existence of liens or encumbrances, or disagreements over the preferred type of partition (physical division vs. sale).

If a settlement cannot be reached through negotiation, the case proceeds through the litigation process.

# STEP 3:

# **DISCOVERY**

Discovery is a critical phase of litigation in which both

# Filing a Formal Complaint

The complaint must include a detailed description of the property, the ownership interests of all parties involved, and a request for the court to partition the property.

If a settlement cannot be reached through negotiation, the case proceeds through the litigation process.





sides exchange information and evidence related to the case. This may include documents, such as property deeds, contracts, and appraisals, as well as witness testimonies, depositions, and interrogatories. The purpose of discovery is to allow both parties to fully understand the facts and legal arguments before the case moves to trial.

During this phase, an attorney may also hire experts to assess the property's value or examine other financial aspects of the case. Discovery ensures that all relevant details are laid out before the court, providing a strong foundation for negotiation or trial.

# STEP 4:

# MEDIATION OR SETTLEMENT DISCUSSIONS

In many Partition Action cases, parties may be encouraged or required by the court to engage in mediation or settlement discussions. This is an attempt to resolve the dispute without going to trial. Mediation involves a neutral third party (the mediator) who facilitates negotiations between the co-owners in the hopes of reaching a mutually agreeable solution.

Settlement during this phase can be beneficial, as it saves time and legal expenses. If a settlement is reached, the parties can avoid further litigation, and the terms of the agreement are presented to the court for approval.

# STEP 5:



### TRIAL

If mediation fails or the parties cannot come to an agreement, the case moves to trial. At trial, each party presents their case to the judge, including evidence and testimony. The court will consider several factors, such as the size, value, and nature of the property, as well as the ownership interests and any claims from third parties (like mortgage lenders or lienholders).

The judge's primary responsibility is to determine the best method of partition, either by physically dividing the property (Partition in Kind) or ordering the sale of the property (Partition by Sale). The court's decision is based on what is fair and equitable to all parties involved, taking into consideration any legal or financial obligations tied to the property.

# STEP 6:

# JUDGMENT AND SALE

Once the court reaches a decision, a judgment is issued. If the judgment orders a Partition in Kind, the property will be divided according to the court's ruling, and each party will assume full ownership of their portion.

If the court orders a Partition by Sale, the property will be sold, typically at public auction, unless the parties agree to a private sale. The proceeds from the sale are then distributed among the co-owners according to their ownership interests, after deducting any liens, mortgages, or legal fees associated with the case.

# At the Trial

At trial, each party presents their case to the judge, including evidence and testimony. The court will consider several factors, such as the size, value, and nature of the property, as well as the ownership interests and any claims from third parties (like mortgage lenders or lienholders).

# STEP 7:

# DISTRIBUTION OF PROCEEDS AND FINAL DISPOSITION

After the sale, the final step in a Partition Action involves the distribution of the proceeds. This process is overseen by the court to ensure that all financial obligations tied to the property are satisfied before the remaining funds are divided among the co-owners. If one party had invested more in the property (for example, paying for maintenance or property taxes), the court may adjust the distribution to reflect those contributions.

Once the funds are distributed and all legal matters are resolved, the case is closed, and the co-owners' legal relationship regarding the property comes to an end.

### Conclusion

The litigation process for Partition Actions in Florida can be lengthy and complex, often involving several stages before a resolution is reached. From filing the initial complaint to trial and final judgment, each step requires careful legal strategy and adherence to procedural rules. For co-owners involved in a Partition Action, having an experienced real estate attorney is essential to protecting your interests and navigating the challenges of litigation.

If you are considering or currently involved in a Partition Action, consult with a skilled real estate lawyer to understand your rights and options, and to ensure the best possible outcome in your case.







# Strategic Considerations for Property Owners Before Entering Partition Litigation

Entering into Partition Action litigation is a serious decision that can have long-term financial and legal implications. Whether you're dealing with a family inheritance, a business partnership, or an investment property, Partition litigation is often seen as the last resort when co-owners cannot agree on how to manage or divide the property. Before initiating a legal battle, it's essential for property owners to carefully consider several strategic factors that could impact the outcome and the overall costs involved.

1

Evaluate Alternative Dispute Resolution (ADR) Options



Litigation is not the only solution to coownership disputes. Alternative dispute resolution (ADR) methods such as mediation or arbitration can offer a more efficient and cost-effective way to resolve disagreements without the need for a lengthy court process. Before filing for a Partition Action, property owners should consider engaging in goodfaith negotiations or hiring a mediator to facilitate a resolution.



2

Understand the Costs of Litigation



Litigation can be expensive, and the costs can quickly add up when multiple parties are involved. Before entering into a Partition Action, property owners must assess the financial implications, including attorney fees, court costs, property appraisals, and expert witnesses. In some cases, these expenses can outweigh the potential gains from litigation, especially when the property value is not high enough to justify the costs.

In addition, the losing party may be required to pay not only their own legal fees but also a portion of the winning party's fees, adding another layer of financial risk. Property owners should consult with a qualified real estate attorney to develop a clear understanding of the potential costs involved in their

3

Assess the Property's Value and Condition



One of the most critical considerations before entering Partition litigation is the property's current market value and condition.

Conducting a professional property appraisal is essential to understanding what is at stake financially. In some cases, the property's value may have appreciated significantly, making it worth pursuing litigation for a fair division or sale.

However, if the property is in poor condition or carries substantial debts or liens, the actual value of the property after resolving these obligations might be less than expected. Property owners should ensure that they have a realistic estimate of the property's value and consider any necessary repairs or upgrades before entering litigation.

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# Strategic Considerations...



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Consider the Impact of Liens and Mortgages



Partition Actions do not eliminate financial obligations tied to the property, such as mortgages, liens, or unpaid property taxes. Before initiating litigation, property owners need to account for these liabilities and determine how they will impact the final distribution of proceeds in the case of a Partition by Sale. The court will prioritize paying off these debts before distributing any remaining funds among the co-owners.

If one co-owner has paid more toward these obligations, such as covering the mortgage or paying for significant repairs, the court may adjust the final distribution to reflect these contributions. It's vital to gather evidence of all financial contributions made toward the property before proceeding with litigation.

5

Prepare for the Possibility of Partition by Sale



One of the key strategic decisions in Partition litigation is whether to pursue Partition in Kind (physical division of the property) or Partition by Sale (sale of the property and division of the proceeds). In Florida, courts often favor Partition by Sale, particularly when the property cannot be easily divided without diminishing its value.

If you are emotionally attached to the property or prefer to keep it, you should be aware that the court may order a sale rather than a physical division. In this case, you may want to negotiate with the other co-owners to buy out their shares, avoiding a public auction where the property may sell for less than market value.

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Understand the Time Commitment



Litigation is not only financially taxing but also time-consuming. Partition Actions can take months or even years to resolve, depending on the complexity of the case, the number of parties involved, and the court's schedule. Property owners should be prepared for the possibility of delays, especially during the discovery phase, where both sides gather evidence and documentation.

Additionally, the emotional toll of prolonged litigation can be significant, particularly when family members or long-time business partners are involved. It's crucial to weigh the time and emotional energy required to see the case through to its conclusion.



7

Consider the Impact on Relationships



Partition Actions can strain personal and professional relationships, especially when family members or business partners are involved. Entering litigation may lead to bitter disputes, resentment, and long-term damage to relationships. If preserving these relationships is important, it may be worthwhile to explore alternative solutions, such as buying out the other parties' shares or working out a compromise through mediation.

If litigation is inevitable, try to keep the proceedings as amicable as possible by focusing on the legal issues at hand and avoiding personal attacks during negotiations.



8

Know Your Legal Rights



Before filing a Partition Action, it is critical to understand your legal rights and obligations as a co-owner of the property. In Florida, any co-owner has the right to file for a Partition, regardless of the size of their ownership stake. However, certain factors—such as whether the property is encumbered by a mortgage, or if there are disputes about ownership percentages—can complicate the process.

Consulting with an experienced real estate attorney will help ensure that you fully understand your rights and develop a legal strategy tailored to your specific circumstances.

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# CONCLUSION

Entering Partition litigation is a significant legal decision that requires careful planning and consideration. From assessing the costs and potential outcomes to understanding the legal complexities and emotional toll, property owners must be strategic before moving forward. With proper legal representation and a thorough evaluation of all factors involved, property owners can make informed decisions and protect their rights in a Partition Action.

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